

Message Text

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DRAFTED BY:OPIC:JLMANNING

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FOR JACKMAN FROM OPIC

E.O. 11652: ADS, DECLASS 8-9-73

TAGS: EFIN, JO

SUBJECT: WINEGARDNER HOLIDAY INN PROJECT - PROPOSED OPIC
FINANCING

1. OPIC HAS PRESENTED WINEGARDNER IN CINCINNATI, OHIO DRAFT LOAN AGREEMENT (PRINCIPAL AMOUNT U.S. \$1,400,000) BETWEEN OPIC AND JORDAN HOLIDAY INNS CO. LTD. (THE PROJECT COMPANY THAT WILL BUILD HOLIDAY INNS IN AMMAN AND AQABA), AND HOPES TO RESOLVE OPEN POINTS IN SUCH AGREEMENT THAT DO NOT INVOLVE JORDANIAN LAW OR PRACTICE BY END AUGUST.

2. WINEGARDNER HAS REQUESTED, BUT HAS NOT YET RECEIVED FROM ARAB BANK LTD., CONFIRMATION THAT GOJ CENTRAL BANK WILL GUARANTEE LOAN OF DINAR EQUIVALENT OF U.S. \$1,540,000 TO BE MADE TO JORDAN HOLIDAY INNS CO. LTD. BY ARAB BANK LTD. WINEGARDNER DOES NOT WANT TO COME TO AMMAN TO FINALIZE ARRANGEMENTS UNTIL SUCH CONFIRMATION RECEIVED.

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3. ASSUMING SUCH ASSURANCES RECEIVED BY END AUGUST WINEGARDNER REPRESENTATIVE AND J. B. MCMATH-OPIC FINANCE AND J. L. MANNING, JR. -OPIC/GC--PLAN TO COME TO AMMAN FOR EARLY SEPTEMBER MEETINGS WITH ARAB BANK, WINEGARDNER'S JORDANIAN PARTNERS, (NAZZAL BROTHERS AND HOTEL AND REST HOUSE CORP) AND WITH APPROPRIATE GOJ OFFICIALS. ETA WINEGARDNER REP MCMATH AND MANNING EARLY IN WEEK OF SEPTEMBER 3. MANNING MAY ARRIVE SEVERAL DAYS EARLIER IN ORDER TO CONFER ON POINTS OF JORDANIAN LAW WITH JORDANIAN COUNSEL.

4. OPIC HAS NOT YET RETAINED JORDANIAN COUNSEL. JOCKMAN SUGGESTED TO MCMATH IN MAY, 1973 CONVERSATION HERE HANNA NADDY OR AMIN HASSAN. SINCE THAT TIME WE HAVE LEARNED THAT HANNA NADDY REPRESENTS NAZZAL BROTHERS AND THAT AMIN HASSAN REPRESENTED EARLIER PROPOSED JORDANIAN PARTICIPANTS IN PROJECT. IN VIEW OF THIS, WE WOULD ASK YOUR ADVICE AS TO REPUTATION, STANDING, ETC. OF MOHAMMAED MULHIM, ISA DALLAL AND FOUAD ATALLA OR SUGGESTION OF ANY OTHER COUNSEL YOU CAN RECOMMEND.

THE AID THAT WE WILL REQUIRE OF JORDANIAN COUNSEL IS THE ADVICE AS TO JORDANIAN LAW AND PRACTICE WITH RESPECT TO AN OPIC DIRECT LOAN TO A JORDANIAN COMPANY, INCLUDING AN OPINION OF SUCH COUNSEL TO THE EFFECT THAT THE BORROWER IS AN EXISTING COMPANY, IS IN GOOD STANDING, HAS THE POWER TO BORROW MONEY AND CARRY OUT THE PROJECT, THAT ALL CORPORATE ACTION HAS BEEN DULY AUTHORIZED, ETC., THAT ALL NECESSARY GOVERNMENTAL APPROVALS HAVE BEEN OBTAINED, THAT THE LOAN AGREEMENT, THE PROMISSORY NOTE AND ANCILLARY AGREEMENTS ARE VALID, BINDING AND ENFORCEABLE OBLIGATION OF THE BORROWER IN ACCORDANCE WITH THIS TERM. WE WILL ALSO NEED SUCH COUNSEL'S ADVICE AND ASSISTANCE IN THE PREPARATION OF A MORTGAGE ON THE HOTELS TO BE BUILT IN AMMAN AND AQABA.

5. ONCE WE HAVE YOUR RECOMMENDATIONS UPON COUNSEL, WE WOULD PROPOSE TO TRANSMIT TO THE EMBASSY FOR DELIVERY TO PROPOSED COUNSEL, A MESSAGE DESCRIBING THE COUNSELLING WE REQUIRE AND ASKING SUCH COUNSEL TO REPRESENT US IN THIS MATTER. COUNSEL WOULD THEN BE ENGAGED BY MANNING UPON HIS ARRIVAL IN AMMAN. WE WILL POUCH TO THE EMBASSY DRAFTS OF THE LOAN AGREEMENTS AND ANCILLARY AGREEMENTS SO THAT THESE MAY BE DELIVERED TO SUCH COUNSEL FOR INITIAL REVIEW BEFORE MANNING'S ARRIVAL.

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6. WHILE IN JORDAN, MCMATH WILL ALSO WANT TO FOLLOW UP ON EXPLORATORY CONVERSATIONS OF AUGUST 1 IN WASHINGTON WITH SALEM AND O'CONNELL ON POSSIBLE OPIC ROLE TO ENCOURAGE MORE U.S. INVESTMENT ACTIVITY IN JORDAN. OPIC ENVISAGES LOW KEY EFFORT TO HELP IDENTIFY POSSIBLE PROJECT OPPORTUNITIES AND BRING THEM TO ATTENTION OF REPUTABLE U.S. COMPANIES WITH LIKELY INTEREST. EFFORT COULD INCLUDE FUNDING ASSISTANCE FOR COMPANIES WANTING

TO PERFORM PROJECT INVESTIGATIVE WORK AS WELL AS NORMAL INSURANCE AND FINANCING SERVICES. IN THIS CONNECTION, MCMATH WOULD LIKE TO MEET WITH APPROPRIATE MEMBERS OF NPC, ZIYAD ANNAB OF IDB, AND OTHERS MISSION MAY THINK APPROPRIATE.

7. WILL CABLE FIRM ETA FOR MCMATH AND MANNING AS SOON AS POSSIBLE. ROGERS

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